

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Delafoil Inc

Ohio Manufacturing Extension Partnership

Delafoil Applies Business Advice To Grow

Client Profile:

Delafoil, Inc., founded in 1979 in Pennsylvania, began life as a cathode ray tube (CRT) components manufacturer for GTE Sylvania. By 1996, the company had added contract manufacturing capabilities and created Delafoil Ohio LLC. Since its inception, the metal stamping firm has produced more than 20 million panel mask assemblies and currently provides components and services to the world's leading consumer electronics manufacturers, including Sony, Panasonic, Thomson, Philips, and Toshiba. Today, Delafoil has begun to diversify into other industries, with a focus in metal stamping and welded assemblies for the automotive and appliance industries. The company, now located in Perrysburg, Ohio and employing more than 200 people, is ISO 9001:2000 certified.

Situation:

After working with one of the largest conglomerates in the world for more than a year, Delafoil successfully obtained a long-term contract to produce complicated sub-assemblies for Philips Display Components in Ottawa, Ohio. The resulting partnership saved a key customer millions of dollars. To further meet the needs of its customer, Delafoil constructed a state-of-the-art, 250,000 square foot facility in Perrysburg, Ohio.

Unfortunately, market conditions changed and Philips announced the closing of its Ottawa factory. Delafoil faced the challenge of restructuring customer-specific operations to continue producing revenue, and called in EISC, a NIST MEP network affiliate, to help.

Solution:

EISC began working with top management from Delafoil in spring 2002. Together, they assembled a team to identify viable business opportunities that effectively replace available production capacity designed for the Philips Display business. In addition to EISC staff, EISC's team consisted of Dr. Andrew Solocha from the College of Business Administration at The University of Toledo, Mike Stone of Stone and Associates, and Ken Wessel of NKW Marketing. EISC brought these experts on board to determine Delafoil's core competencies—including tangible and intangible assets—and consider the financial limitations of the company in order to address the project effectively.

The team identified and analyzed three primary markets for Delafoil: automotive, appliances, and medical devices. These industries shared a need

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

for deep-drawn, thin-gauge stampings, based on their increasing use of electronic components that require stretch-able metal used for electromagnetic shielding.

EISC's team of experts segmented each identified target market and pinpointed approximately 400 potential customers to contact. It also helped uncover potential leads for Delafoil to pursue. At the recommendation of the EISC team, Delafoil management is currently considering the market potential for its heat-treating resources.

Results:

Identified new target markets.

Established a new business development program.

Made a key decision to consolidate all U.S. manufacturing operations into the Perrysburg facility.

Testimonial:

"Working with EISC and its resource network has been a very beneficial experience. They have become true partners in our business. The involvement has ranged from [advising] our Board of Directors, to strategic planning, to employee training. The bottom line is they offer many services, do excellent work, and are a great value."

Jim Cash, President & CEO